

Chapter 6: Scholarships, Grants, and Loans

Overview

Financial aid provides help for meeting the costs of tuition, fees, room and board, books, personal expenses, and transportation.

Most financial aid today is awarded on the basis of need. Sometimes academic performance and other factors are considered in addition to demonstrated need. Students are usually eligible for aid equal to the amount of their demonstrated financial need.

Types of Financial Aid

***Grants and Scholarships.**

Grants and scholarships are sometimes called gift aid, because you do not have to repay them or work to earn them. Grants are usually awarded on the basis of need alone, while scholarship recipients may have to meet criteria other than, or in addition to, need (academic achievement, for example).

***Educational loans.**

A form of self-help aid, educational loans is usually subsidized by the state or federal government or by colleges themselves and carry lower interest rates than commercial loans. They have to be repaid, generally after one has graduated or left college.

***Student employment or work aid.**

The Federal Work-Study Program is perhaps the best-known example of this kind of financial aid. Students work, usually 10 to 15 hours a week, to “earn” their aid.

Financial aid comes from a variety of sources:

- Federal government
 - State governments
 - Colleges
 - Private organizations
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Eligibility for Student

To be eligible for many programs, you are required to attend at least half-time (usually six semester hours of courses per semester or the equivalent). Students attending less than half-time may be eligible for some federal funds, but other programs often require full-time enrollment, usually at least 12 hours per semester.

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Scholarships, Grants, and Loans, (continued)

Eligibility for Student (continued)

Applicants must be enrolled in an eligible program at an eligible institution. More than 9,500 institutions are considered eligible for some federal aid programs. Many state aid programs are limited to accredited colleges and universities. Some programs have restrictions on aid to students in certain fields of study (for example, religious studies) or in vocational or technical courses (those that are shorter than six months in duration). Most programs require that students:

- Maintain satisfactory academic progress toward a degree or certification
- Be in good standing with the institution attended.

Federal programs require that student be either a US citizen or a non-citizen who is a permanent resident.

Federal Financial Aid

The federal government is the largest single source of student aid. The application form and additional information is available on-line at:

<http://studentaid.ed.gov/PORTALSWebApp/students/english/forms.jsp>

- Federal Pell Grant Program
http://studentaid.ed.gov/students/publications/student_guide/2005-2006/english/types.htm

This is the largest need-based student aid program. The amount students receive depends on need, the costs at the particular college they attend, the length of the program in which they are enrolled, and whether enrollment is full or part time. Graduate students are not eligible, nor are students who have previously received a bachelor's degree.

- Federal Supplemental Educational Opportunity Grant Program (FSEOG)
http://studentaid.ed.gov/students/publications/student_guide/2004_2005/english/types-campus-fseog.htm

This is one of three federal campus-based programs, meaning that while the money comes from the federal government, it is distributed by accredited colleges and universities to students with demonstrated need. Recipients must be US citizens enrolled at least half-time in an undergraduate program.

- Federal Perkins Loan Program
<http://www.salliemae.com/apply/borrowing/perkins.html>

This is another federal campus-based program administered by colleges and universities. Undergraduate and graduate students enrolled at least half-time are eligible for Perkins Loans. These carry the lowest interest rate of any educational loans and repayment is deferred until a student graduates or leaves school. Nine months after completing or leaving college, regular repayments are required over a maximum period of 10 years until the total amount (including interest) is repaid.

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Scholarships, Grants, and Loans, (continued)

Federal Financial Aid (continued)

- Federal Work-Study Program (FWS)
http://www.salliemae.com/before_college/parents_plan/ways_to_pay/ways_to_pay/federal_work-study.htm

This is also a federal campus-based program for students with demonstrated need who are enrolled at least half time at either the undergraduate or graduate level. Students are employed on- or off-campus. In assigning work-study, financial aid administrators typically take into account the students' employable skills, class schedules, and academic progress. Students are generally paid at least the prevailing federal minimum wage. They may work as many as 40 hours a week, although 10 to 15 hours is more typical. The only limitation on Federal Work-Study is a student's demonstrated financial need.

- Federal Stafford Loan Program
http://www.salliemae.com/get_student_loan/find_student_loan/undergrad_student_loan/federal_student_loans/stafford_loans/

This program lets students with demonstrated need borrow money for college expenses from private sources such as banks, credit unions, savings and loan associations, and educational organizations. Because the government subsidizes the loans, the interest rate is lower than most commercially available loans (but higher than Perkins Loans). The government pays the interest while students are enrolled. The interest rate is variable and repayment of both interest and principal is deferred until six months after you graduate or leave college. The schedule for repayment is worked out between the student and the lender; the borrower usually has between 5 and 10 years to repay, with the amount of monthly payments and the length of the repayment period depending on the total amount borrowed.

The unsubsidized Federal Stafford Loan Program is another resource for students – intended for use by those who do not qualify for a Federal Stafford Loan and/or who need additional funds. The amounts, interest rates, and terms are generally the same as for subsidized Federal Stafford Student Loans, with a couple of important differences. For example, repayment begins when the loan is disbursed instead of when the student graduates or leaves college; the borrower may opt to postpone payments until leaving school, but interest begins to accrue immediately.

Financial Aid From State Governments

Every state has a scholarship or grant program that provides some form of financial aid to eligible students who are legal residents of the state. Eligibility criteria vary from state to state. Most programs require that students attend a postsecondary institution within the state. For information, check with the state's office of higher education.

Financial Aid From Colleges

College-sponsored aid usually comes from one or two sources: tuition revenues and contributions from private donors. Some scholarships and grants are based on demonstrated need, while others are awarded to students who meet criteria other than or in addition to need (such as academic performance, special achievements, etc.) The criteria and application procedures for college financial aid vary considerably. For more detailed information consult the catalogs or Web sites of colleges being considered. Private colleges often have more college-sponsored aid available than do public institutions: proprietary or profit-making institutions generally have very little or none at all.

The Coast Guard Foundation

Background	<p>In 1999, the U.S. Coast Guard Foundation established an education grant program for active duty enlisted personnel. The purpose of the grant is to provide additional funding for education/professional advancement opportunities. The maximum grant per member per year is \$350.00. The grant may be used in the following ways:</p> <ul style="list-style-type: none">A. To cover tuition costs not paid by tuition assistance.B. Assessment fees.C. Application fees.D. Other administrative fees.
Eligibility	<p>Members applying for the educational grant will be screened based on the following criteria:</p> <ul style="list-style-type: none">a. Active duty status, serving in pay grades E-3 to E-9.b. Reservists E-3 to E-9 ordered to active duty for one year or longer are eligible for the grant.c. A positive Commanding Officers endorsement attesting to the applicant's capabilities and motivation to excel (professionally and academically).
Application	<p>Complete Coast Guard Institute Form 1560/10a, USCG Foundation Education Grant Application form is also available on the CG Institute website at http://www.uscg.mil/hq/cg1/cgi/downloads/forms/CG_Form_1560-10a.pdf</p> <p>December 1st is the deadline for application. The program is based on a calendar year cycle vice fiscal year.</p>
Resources	<p>ESOs may contact the CGI Program Manager for assistance at 405-954-7240. If members have not received their grant within two months of CG Institute approval notification, complete and submit CG Form 1560/10b, Non-Receipt of Foundation Grant.</p>

Coast Guard Mutual Assistance Education Programs

Supplemental Education Grant (SEG)	<p>The CGMA Supplemental Education Grant (SEG) Program offers financial Education Grant assistance by reimbursing certain costs associated with seeking a FIRST undergraduate (Associate and/or Bachelor) degree, or a vocational and technical training (VoTech) certificate, or a General Equivalency Diploma (GED) is not otherwise covered by Coast Guard Tuition Assistance or similar programs.</p> <p>CGMA will reimburse up to \$160 per eligible CGMA member per calendar year for documented education costs specifically required by a course of study. (The dollar amount is subject to change. Check the web site for the most current information.)</p> <p>In a family where there are two CGMA members, grants of up to \$160 may be provided to each CGMA member on behalf of the students within that family, so long as not more than \$160 per calendar year is provided on behalf of any one student.</p>
Eligibility	<p>To be eligible for the grant, members shall be enrolled in an accredited institution of higher education. An exception is made for those enrolled in a degree-planning program authorized by the CGI. Members seeking a degree from Charter Oak State College, Thomas Edison State College, The University of Phoenix, or Excelsior College (formally Regents College) who, though not formally enrolled, are following a degree plan prepared by the CGI are eligible.</p>
Reimbursable Items	<p>The costs of fees, books, study guides, supplies, equipment and other documented educational costs specifically required by a course of study may be reimbursed. A list of reimbursable items is contained on the mutual assistance web site.</p>
Stafford/Plus Loan Origination Fee Refund	<p>CGMA offers help to members and their families who finance post-secondary education through the Federal Stafford Loan or Federal Parent Loan for Undergraduate Students (PLUS), by refunding the mandatory 3% loan origination fee that is charged each borrower. The lender ordinarily deducts this fee from the loan disbursement check. After confirming use of the loan, CGMA will reimburse the dollar amount of the loan origination fee to the member.</p>

Coast Guard Mutual Assistance Education Programs (continued)

Supplemental Student Loan	CGMA will loan eligible members up to \$700 if a demonstrated financial need remains after they receive the maximum assistance authorized under the Coast Guard Tuition Assistance (CGTA) Program.
Vo-Tech Student Loan	CGMA will loan up to \$1,500 to eligible individuals who are pursuing a Department of Veterans Affairs or Department of Education approved vocational technical training program and who have a demonstrated need for financial assistance. Assistance under this program is intended to help pay the cost of non-college courses that provide the technical knowledge and skills needed for entry into a specific career field.
USCG Resources	<p>The Scholarship Resource Program is administered through USCG Headquarters Work-life staff. The following information was extracted from the following work-life web site. Check it frequently for updated information.</p> <p>http://www.uscg.mil/hq/g-w/g-wk/wkw/work-life_programs/scholarship_program.htm</p>
Eligibility	<p>The Scholarship Resource Program is available to the following members of Team Coast Guard:</p> <ul style="list-style-type: none">• Active Duty, Reserves, Retirees and their dependents• Civil Service employees• Exchange System employees, and• MWR employees. <p>Please note that most Scholarships identify specific eligibility requirements.</p>
Purpose of Program	The Scholarship Resource Program is intended to provide information and resources on scholarships to members of Team Coast Guard.
Program Confidentiality	Discussions of the Scholarship Resource Program with Work-Life personnel are confidential.
Definitions	Definitions relating to scholarships are provided within the reference sources and applications packages for each specific scholarship.
Services and Resources Available	<p>The following services and resources are available within the Scholarship Resource Program:</p> <ul style="list-style-type: none">• Need a Lift - A college financial aid handbook• Application procedures for the Sobel Scholarship and other CG Foundation Scholarships• Links to scholarship resources

Coast Guard Mutual Assistance Education Programs (continued)

Requesting Services or Resources

These services or resources can be obtained by contacting the Family Resource Specialist at your Regional Work-Life Staff. Work-Life Staffs are located at Integrated Support Commands CG-wide. To contact the Work-Life Staff closest to you, call **1-800-872-4957**, followed by the [extension](#) listed next to the following **ISC locations**:

Alameda (252)	New Orleans (308)
Boston (301)	Portsmouth (305)
Cleveland (309)	San Pedro (311)
Honolulu (314)	Seattle (313)
Ketchikan (317)	St. Louis (302)
Kodiak (563)	Washington, DC (932)
Miami (307)	

Related Program Information

The Coast Guard does not endorse the web sites listed below. They are provided to help in your search for scholarship information. BEWARE OF SCHOLARSHIP SCAMS! It is important to check references and to research programs found on the web. DO NOT send monies to unidentified sources. Please report any link that you find not working or services not appropriate for Team Coast Guard to the point of contact indicated below.

Program Reference

The following references provide details related to Scholarships:

[COMDTINST 5760.9](#) The Arnold Sobel Endowment Fund Scholarship

Related Web Sites

The following web sites provide information related to Scholarships:

- <http://www.accessgroup.org/> -- Information on financial services for college students
- <http://fastweb.com> -- Fast Web Scholarship search engine
- <http://www.srnexpress.com/> -- Financial Aid

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Coast Guard Mutual Assistance Education Programs (continued)

Related Web Sites (continued)

- <http://www.uncf.org/> -- The United Negro College Fund
- <http://www.ronbrown.org/> -- The Ron Brown Scholar Program
- <http://www.ed.gov/thinkcollege/> -- US Department of Education
- <http://www.college-scholarships.com/100college.htm> -- 2001 Colleges, College Scholarships and Financial Aid Pages.
- <http://fafsa.ed.gov/> -- U.S. Department of Education web site on Federal Student Aid, which includes the Free Application for Federal Student Aid (FAFSA)
- http://www.uscg.mil/hq/cg1/cgi/links/links_scholarship.asp -- A listing of scholarships on the CG Institute's Website.
- <http://www.uscg.mil/hq/q-w/q-wt/q-wtl/career/> -- click on "Financial Aid." Career Central site.

Point of Contact

If you are unable to contact the Family Resource Specialist at your Regional Work-Life Staff, or need additional assistance beyond the information provided here, please contact the Headquarters Scholarships Program Manager at (202) 267-6728

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